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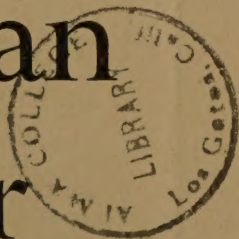
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KIND FRIENDS AND GENTLE HEARTS



This is how I think of the readers of *Christian Order*. In what other terms can I think of them? Last month I asked for a Christmas Present in the form of £200 to cover the cost of an addressing machine. The sum required has been over-subscribed. I am more grateful than I can say to those who have been so good. Thank you all so much. I am sure you will agree that money sent in excess of the sum required to set up a new addressing system for *Christian Order* will be best spent in support of the magazine. I can assure you this is how it will be used. Thanks to you, we are all set now for a drive which will take us, I hope, to a subscription circulation of 3,000. I am more than grateful.

It would be an added and great kindness if readers whose subscriptions are due would make a special point of renewing them without delay. Most subscriptions fall due during the first quarter of each year. It would help so much if renewals were as prompt as possible during this time. Thank you all and my very best wishes for this coming year.

Paul Crane, S.J.

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Christian Order

EDITED BY

Paul Crane SJ

VOLUME 10

JANUARY 1969

NUMBER 1

Prospect And A Way To Help

THE EDITOR

FOR some years now, there has been a tendency to doll up even the most staid Reviews with the object, no doubt, of increasing their readability. It could be also that readers are rated so low as to be considered incapable of looking at anything unless, outwardly at least, it bears the appearance of being trendy. Nowadays, at a certain level of reading, one hardly comes across a serious article that is not peppered with insets and flash little photos; the whole lay-out designed, apparently, on the assumption that readers' minds are incapable of working on a problem unless assisted by an imagery not far removed from that of a juvenile strip-cartoon. Either this or readers are deemed incapable of choosing against the crowd, of picking up reading matter, therefore, unless it is tarted up to suit the times. In my own case, I find either assumption a little insulting.

In this matter, I feel the same about readers of *Christian Order* as I do about myself. The magazine has not been reduced to a semi-strip-cartoon as the only way of holding their interest. The assumption has always been that it was there already; that readers are not morons who have to be induced to think, but sensible and generous people who are proud to think for themselves and find in this Review an angle on affairs and a presentation of principle that satisfies

their minds and encourages hope in their hearts. *Christian Order* is very much for its readers. It could not exist without them. I would like to take this opportunity of thanking them for their constant support.

Also, to say that, with the object of serving readers still better, several new features are about to be introduced into the magazine. Some may be in this issue. Undoubtedly the most significant will be a monthly article by Father John Murray, S.J. In these, he will make a critical appraisal of the new thinking in the Church. I believe that many readers will find Father Murray's articles most helpful, especially those who find themselves confused, to put it lightly, by the present welter of words within the Church. Father Murray writes very clearly, in a way that all can understand. It might be a good idea to recommend his articles to friends. There will be a monthly round-up, too, of what the Church is doing in the world, of the thinking behind the approach of Catholics to existing problems. Appraisal here will be searching, as it should be. Much that is done today is the object of almost automatic and usually unthinking praise. It is time we took a look at what goes on within the Church from a sanely objective standpoint; also, that we took stock of present activity from the angle of a strategy suited to the times in which we live. The round-up articles will be governed by both these considerations.

I believe these two new features will give readers what they want. They should prove particularly useful to those who teach the senior forms of secondary schools. One school, I know of, has what it calls a pre-university class, each member of which is supplied with a copy of *Christian Order* every month. The material it contains is considered of great importance for the last stages of his school formation. We hope these two new features and others which accompany them will prove particularly useful to school-leavers and those who teach them.

Readers are asked most earnestly to increase the significance of what we are trying to do, not only by renewing their own subscriptions as promptly as possible, but by securing new subscribers for *Christian Order*.

“The Life of the World to Come”

FRANCIS FENN, S.J.

OUR heading is the last of the articles of faith which we profess in the Creed at Mass, and maybe we pass over it with the thought that it tells of something way off in the future, something that has little to do with our activity in the world we know, the world of here and now. Nothing could be further from the truth.

There is a view of “this world” and the “other” which is based, not upon the Bible but on Greek philosophy. This makes a sharp distinction between the world in which we live (“here below”) and the supernatural realm of “heaven above”. Human history is of relative unimportance, except as the arena from which individual souls escape, when their period of trial is over, into the heavenly realm. Salvation is an individual affair and the importance of the body is minimised or played down, with the “resurrection of the body” added as a kind of afterthought. The good that men do, by God’s grace, here on earth, is looked upon as “acquiring merit” for heaven rather than as having value in itself for building up the human family under God.

The Bible, on the other hand, presents a different picture. It is not a “mystical book of religion” showing the way out of this world and its history to a “higher religious world”. The Bible is concerned with God’s plan of salvation for the whole human race and indeed for the whole of his creation, and not only with the salvation of individual souls. The contrast between “this world” and “the other world” is expressed in terms of “here and now”, historically speaking, and “the future”. Hope is directed towards the final victory of God in which we trust that we may share.

“The time is come and the kingdom of God is close at

hand. Repent, and believe the good news. (1) Jesus inaugurated the kingdom or reign of God by his preaching, his miracles and above all by his death and rising again. It is into this "paschal mystery" that we are initiated in baptism (2), so that having "died to the world" with him, we may share his new life and look forward in hope to sharing in the final triumph over death: "the last enemy to be destroyed" (3). It is only by sharing in some way in the death of Christ that mankind as a whole can share in his rising again. (4)

When we speak of "dying to the world", we mean the world which is self-sufficient, the world as deformed by sin. We mean the world which is revealed by Christ to be the "old world" in contrast to the "new age" which he inaugurated, but which is not yet brought to fulfilment. This is a fulfilment which God himself will bring about in his own time and towards which he is directing the whole process of history.

For the world itself must die and rise again. "Creation still retains the hope of being freed, like us, from its slavery to decadence, to enjoy the same freedom and glory as the children of God" (5). The world is to die: but it is to be transformed, not destroyed, for it was created to become the kingdom of God. This same pattern of transformation is seen in the resurrection of our bodies: they will be our bodies, but they will be changed (6).

Therefore, says the Vatican Council:

"while we are warned that it profits a man nothing if he gains the whole world and loses himself, the expectation of a new earth must not weaken but rather stimulate our concern for cultivating this one. For after we have obeyed the Lord, and in his Spirit nurtured on earth the values of human dignity, brotherhood and freedom, and indeed all the good fruits of our nature and enter-

(1) Mark I, 15.

(2) "baptized into his death": Romans 6.

(3) I Cor. 15, 26.

(4) cf. Vatican II, *Church in the Modern World*, end of sec. 22.

(5) Romans 8, 21.

(6) I Cor. 15, 35 ff.

prise, we will find them again, but freed from sin, burnished and transfigured." (7)

It needs to be emphasised, however, that there is a discontinuity between human history and the fulfilment of God's kingdom : a fulfilment which can be brought about by his action alone. We must not place our trust in the natural processes of history or in merely human effort, even though God is using these to prepare the way for the coming age. Nor do we look for any "heaven on earth", communist or otherwise. It is even dangerous for Christians to speak of "building the kingdom of God", as if the Church by extending its influence could bring about the coming of the kingdom. "This gospel of the kingdom will be preached throughout the world, as a testimony to all nations : and then the end will come" (8). But there is no guarantee of the success of this preaching. The final establishment of the kingdom follows the end of the present order of things.

Since the Church is united to Christ, she has the beginnings of the kingdom of God within her by the power of the Holy Spirit. She exists to witness to the kingdom and its values, and by this means she helps to restore the world. So the Council says of the layman that :

"He is closely involved in temporal affairs of every sort. It is therefore his special task to illuminate and organise these affairs in such a way that they may always start out, develop and persist according to Christ's mind, to the praise of the Creator and Redeemer." (9)

The Church, then, serves the human race for its salvation : she is its servant and God's, as was Christ. (10)

Yet all the members of the Church, although they bear within themselves the seeds and foretaste of the Kingdom of God, are nonetheless still "children of this world". Human activity is infected by sin : "the battle was joined from the very origins of the world and will continue until the last day" (11), and the front line of this battle runs through the

(7) *loc cit.*, sec. 39.

(8) Matt. 24, 14.

(9) *Constitution on the Church*, sec. 31.

(10) *Church in the Modern World*, sec. 3.

(11) *ibid.* sec. 37.

heart of every human being. Every human advance increases the possibility of evil as well as of good. The world is not getting better and better every day. Our Lord could even pose the question: "When the Son of Man comes, will he find faith upon the earth?" (12).

But it is precisely in such a situation that Christian faith and hope sustains us in our work, laborious or tedious though it may be; because we know that this work will be cleansed (13), ennobled and transformed by God.

This is true of the most ordinary activity, as well as of the triumphs of science:

"While providing the substance of life for themselves and their families, men and women can justly consider that by their labour they are unfolding the Creator's work, consulting the advantage of their brother men, and contributing by their personal industry to the realisation in history of the divine plan". (14)

Mankind has received a mandate from God to subject to itself the world and all that it contains, and Christians are convinced

"that the triumphs of the human race are a sign of God's greatness and the flowering of his own mysterious design. For the greater man's power becomes, the further his individual and community responsibility extends. Hence it is clear that men are not deterred by the Christian message from building up the world, or impelled to neglect the welfare of their fellows. They are, rather, more stringently bound to do these things." (15)

It is clear from these quotations that the Council is not interested in material development by itself, but only insofar as it contributes to human good and the development of mankind. This is explicitly stated:

"Just as human activity proceeds from man, so it is ordered towards man. When a man works he develops himself, he cultivates his resources, he goes outside him-

(12) Luke 18, 8.

(13) cf. I Cor. 3, 13-14.

(14) *Church in the Modern World*, sec. 34.

self. Rightly understood, this kind of growth is of greater value than any external riches. Similarly, all that men do to obtain greater justice, wider brotherhood, and a more humane ordering of human relationships has greater worth than technical advances. For these advances can supply the material for human progress, but of themselves they can never actually bring it about." (16)

In its opening "Message to Humanity" the Council called on "all men to work along with us in building up a more just and brotherly city in this world". In the *Declaration on Non-Christian Religions*, it spoke of "the day when the elect will be united in that holy city ablaze with the splendour of God, where the nations will walk in his light". (17) The city built with human hands will not be replaced by the holy city "which comes down from heaven" (18); the former will be penetrated and transformed by the latter.

If the "earthly city" is to be transformed, it must first be built. Christians cannot just sit around and wait for the second coming of Christ. Their hope, if it is true hope, demands action. "Why are you standing here looking into the sky?" (19) There is work to be done. And for us as individuals the time is short. Our physical "death with Christ" will be our "last day". And in eternity, there is no question of the end of the process of history being "way off in the future".

(15) *ibid.* & sec. 57.

(16) *ibid.* sec. 35.

(17) Apoc. 21, 23-24.

(18) *ibid.* vv. 1-4.

(19) Acts I, II.

CURRENT COMMENT

This month Father Paul Crane outlines the causes of Britain's financial crisis. He places major blame for our present trouble on Mr. Wilson's Socialist Government which uses massive public expenditure as an instrument in the service of a long-outmoded Socialist ideology. Attention is drawn also to the temper of present disputes within the Church and mention made of the possibility of dangerously adverse effects coming in the long run from the use of the birth pill. There is comment also on the present state of political prisoners in the Soviet Union and the crisis in Northern Ireland.

Crisis in the Church, in Britain, in Ulster

THE EDITOR

I FIND myself in disagreement with Mr. Frank Cousins over many things, but I share his annoyance with those who blame the working population of this country for its present crisis. In their opinion, excessive wage demands — greater than the economy can stand — have brought Britain to its knees.

The Cause of Crisis

This is nonsense. The present crisis and those which have preceded it since the war have been caused essentially by excessive public expenditure. It is simple enough to see why. The taxation required to produce the money which the Government chooses to spend has robbed men of the inclination to work beyond a certain point. At the same time, the mass of additional purchasing power let loose by public spending itself, presses on the market for consumer goods.

The result is steadily mounting inflation; the end-product a steady weakening of the balance of payments, which devaluation is powerless to check effectively so long as Government continues with its spending spree. The only remedy, under the circumstances, is for Government to cut its spending to the bone. This, however, is what no Socialist Government is ever prepared to do. Its philosophy forbids it. Its reaction, therefore, to every crisis generated by its own culpable improvidence is to blame it on the "excessive" wage demands of exasperated trade unionists, whilst wagging a finger at the general public and telling its members to cut consumption.

Government Expenditure and the Socialist Dream

The one thing no Socialist Government will ever do is to cut public expenditure for which it is responsible and which is the basic cause of the whole trouble. The general public, in other words, and the unions have got to adjust their spending habits to government plans. The last thing any Socialist Government thinks of is that it should adjust its plans to the spending habits of the public. The implication here is the immense impertinence that government knows best: what this means in times of crisis is that the last thing to go is government expenditure at home. Abroad, of course, responsibilities are cast aside; all the more readily and meanly if they appear to have any connection with an imperial past. So, the last troops will be withdrawn from Malaysia and the Commonwealth Brigade upended at the very time that the Malaysian Government publishes a *White Paper* indicating the intention of strongly renewed militancy on the part of the Communist Party in that country. And, very meanly, a shabby attempt is made to talk the Falkland Islanders out of their allegiance to the Crown. No doubt, in the near future, other attempts will be made to talk other island groups, still proud of the British Flag, out of their allegiance as well. This way a few more pennies will be scraped, no doubt, out of the bottom of a badly battered barrel. Meanwhile, at home, the few remaining things that give us pride are hit on the head. Free

medicine is restored to an increasingly proletarian populace, but the Territorials are decimated and the Argylls condemned to extinction. At the same time, there is no sign of any real cut where it should be made — in the vast and increasing volume of government expenditure. This must stay and, indeed, increase if Socialist management of the population, which is the ideological ideal of every Socialist Government, is to be made reality.

Matter for Reflection

So, the workers are exhorted to curb their wage demands and the general public to curb its spending, not, really, that the country may be saved; but that a Socialist Government may come into its own; establish itself as overlord of a proletarian people who owe all to its bounty and whose lives are managed in accordance with its grand design. Thus it was that Mr. Roy Jenkins, hot from financial discussions in Bonn, clamped down on this country yet further controls designed to curb spending. With furrowed brow he appeared on TV to tell us of the fearful step he had to take presumably for our good; in reality, to prop up Mr. Wilson's long-term plans for a Socialist paradise. The public's reply to his appeal came within a week. National savings fell by £14 millions, a near record. Rather than cut their expenditure still further, constrict their living standards to suit Mr. Wilson's Socialist dream, people drew on their savings to meet the extra expenditure with which a discredited Socialist Government proposed at Christmas Time to burden their lives. They did so not because they were without love for their country, but because they loved it too much to see it turned into a Socialist slum. I am glad they did what they did. It was a gesture that needed to be made. Mr. Wilson and his colleagues should reflect on its significance.

Catholic Popularists and a Permissive World

In an audience given to student priests in Rome at the beginning of December last, Pope Paul spoke of the Church as being "in an hour of inquietude, of self-criticism — one could even say self-destruction". These are grave words

and they followed close on his call made to Catholics in a public audience on December 4th, to defend the integrity of Catholic doctrine. On this same occasion, he strongly condemned liberal theologians in the Church for trying to reshape the word of God according to their own thinking: "How", asked the Pope, "can we jealously retain the authenticity of the message of salvation and at the same time make it acceptable to the modern mentality" ?

We live in a materialistic world, sliding now into a brand of permissiveness that can only lead to anarchy. It is the present tragedy of the Church that, at a time when the full strength of her teaching is needed most, her message, at popular level, should have fallen into the hands of clerical and lay groups whose central endeavour is to accommodate Catholic teaching to the mood of the moment. Since the mood is permissive, their inclination — subconscious no doubt in many cases — is to dilute doctrine to suit the mood. In this way, no doubt, they hope to gain acceptance. For what, one asks, or for whom ? Too often, I am afraid, for themselves. Few things make me more sad these days than the pathetic eagerness with which the few amongst us, who crave acceptance in a permissive world, seize every opportunity the mass-media provide of disseminating abroad their watered-down versions of Catholic doctrine. So far as they are concerned, what matters most, I fear, is that they should be "with it", as Christ Our Lord was never with His world. He told those who followed Him that the world would hate them. He added that they were not to be afraid because He had overcome the world. The Cross was not easy. Neither is the Christian life. Those who make it out to be are guilty of duplicity. They have fallen for the temptation which Satan put before Christ when he showed him the kingdoms of the world and told Him they could all be His if, kneeling down, He, Christ, would adore him; that is, accommodate His doctrine to the pagan standards of His time. At this point, it is worth noting, Satan was told to go. There could be no accommodation with the world, no yielding in the interest of increased numbers, no dilution of truth. It is exactly the same today. The Faithful know this. Those

who would make themselves a new establishment within the Church do not. We can be thankful that, in this their ignorance, they are representative of no-one but themselves.

Confrontation over the Pill

The birth pill has been chosen by many of the Holy Father's opponents within the Church as their battle ground. It is on this issue that they have chosen to confront him; the post-conciliar crunch has come here. I imagine I am not alone in feeling that, for the time being, there has been argument enough at popular level on this issue. It would be good if men now talked less and prayed more, particularly those who have spoken in public and so stridently against the Pope and with so little regard in this matter for the feelings of the mass of the Faithful. One feels it is time that these were on their knees again, praying for the light of faith to guide their understanding. About too many of their utterances during the whole of this controversy, there has been an absence of compassion which points to a lack of prayer in their lives. They have spoken so often without regard for the feelings of the Holy Father and the great mass of the Faithful. The impression created by so many popular dissidents is that they are concerned only with themselves and the impact they can make at large whilst the time of dissent is fashionable.

Incalculable Risks

Be this as it may, I have no intention of entering the argument at this stage. It does seem worth mentioning, however, that increasing doubts are being expressed as to the possible long-term effects of the pill. It is, when you come to think of it, a little astonishing that the use of the pill should be so widespread and advocated so strongly despite the fact that relatively nothing is known of its long-term effects. In a recent article in the *British Medical Journal*, Lady Summerskill, who is a doctor of forty years standing, went so far as to suggest that the contraceptive pill should be withdrawn until knowledge of its long-term effects is more complete. "Otherwise", she writes, "young women through-

out the world are exposed to incalculable risks". The words are not lightly chosen. It would be dreadful if, in fifteen years time, the birth pill brought tragedy to a whole generation of teen-agers. We have no hard-and-fast guarantee that it will not.

Djilas and Soviet Power

In an interview not so long ago with the *New York Times*, Milovan Djilas, Yugoslav author of *The New Class*, remarked that he saw little difference between present Soviet policies in East Europe and the Mediterranean today and those of nineteenth-century Czarist imperialism. Today, the official motivation of Communist policy abroad appears as the extension of Communism. Inner desire, however, is made up of no more than an arid itch for naked power.

Abroad, the men in the Kremlin are out to extend Russia's Red Empire. Nearer home, they are increasingly intolerant of anything that threatens their control over the Russian people and those of the Satellite States. Czechoslovakia was invaded because the new-found liberalization of its life offered an indirect threat to the present rulers of Russia. The "disease" had to be stamped out at source lest it infect the Soviet people and threaten the position of their leaders. Meanwhile, in Russia itself, the decision appears to have been taken to stamp on any move towards liberalization. The talk in some quarters now is of a return to Stalinism. The hopes that came with his death appear to be on the wane.

Sufferers in the Soviet Union

It is essential to realise that, at the present time, men and women in the Soviet Union are suffering for conscience sake. Their numbers are greater than many are inclined to think. The conditions under which they suffer are appalling. One of them is Anatolii Marchenko, imprisoned from 1960-'66 and now, again, since July, 1968. In a long and most informative letter published in the *Times* for December 5th of last year, Mr. Peter Reddaway of the London School of Economics, quotes Marchenko's conclusions, based on his own experiences and those of many friends, as to the condi-

tions prevailing at present in Soviet concentration camps: "I don't know whether now, in the sixties, there exist anywhere on earth outside our country such conditions for political prisoners: legalised lawlessness, plus legalised hunger, plus legalised forced labour". It would be wrong to think the number of those submitted to such conditions is on the small side. In a long essay, recently published in English at great risk to himself, Andreia Sakharov, a leading Soviet nuclear physicist, wrote about Potma, the best known complex of labour camps for political prisoners. He puts the camp population, which includes criminals, at 30,000 in all. The diet here is appalling and in contravention of the most elementary human standards. Anatolii Marchenko describes it as follows: "The daily camp ration contains 2,400 calories (enough for a 7 to 11-year-old child) and has to suffice for an adult doing physical work, day after day for many years, sometimes as many as 15 to 25 years". The punishment ration to which, according to Reddaway, Yuli Daniel and, reportedly, his wife Larissa are now being subjected is, according to Marchenko, "1,300 calories (enough for an infant of 1 to 3 years)".

The really shocking thing, which Reddaway did well to note in his letter to the *Times*, is the silence of the outside world in face of this kind of horror. The very people who are so quick to indict South Africa and Greece where human rights are concerned, appear to be the last to raise their voices in protest at the really appalling treatment meted out by the Soviet Government to its prisoners of conscience. Their silence represents a case of selective moralising at its worst. It is a disgrace to the so-called liberal world.

Ulster's Brave Prime Minister

Another area where so-called liberals have been silent for years in the face of injustice is Northern Ireland. Very recently, the courage of the North of Ireland Prime Minister, Captain Terence O'Neill, has combined with the birth of a well-timed and restrained Civil Rights Movement to blow the lid off the Ulster kettle. The contents have been revealed as unpleasant in the extreme. Many of us have

known this for a long time, but little could be done to right grievous wrongs so long as religious bigotry remained in firm control of the North. Now, the control has been shaken by Captain O'Neill's courage assisted by the restrained yet firm support accorded it by the Catholic Leader of the Opposition at Stormont. The Ulster Prime Minister has been helped, too, by the limited nature of the demands put forward by Northern Ireland's Civil Rights Movement. Its members have not marched and protested against Partition. They are concerned at the moment solely with the state of affairs in Ulster itself; with the civic rights of those who are Catholic and British citizens of Northern Ireland. In the past, their rights as citizens have not been recognised as they should. For years, they have been discriminated against because of their religion. It is this injustice that must be righted. The rest can come later, if it is wanted, after a decent interval and when men are ready to vote in dignity and freedom on the terms of a further and final move.

Meanwhile, the thanks and prayers of decent men everywhere should go out to a brave Prime Minister who has had the courage to turn his back on the prejudices of his fathers and work without thought for himself for what he knows to be right. Examples like that of Captain O'Neill are rare in the world today. We should thank God for them when they come.

These lines are written incidentally by one who has only the tiniest drop of Irish blood in his veins; and what there is of it Protestant and from Belfast.

In this article E. L. Way reports on the issues that will face Richard Nixon after his inauguration on January 20 as the 36th President of the United States. He will be a minority president and is already pointing towards the nearest thing America has had to a coalition or "national unity" government. He did not capture a single large city in the election, and has the opposition of both Houses of Congress. . He may try to bring the nation together to heal the wounds of poverty and war. He will rely on private enterprise to solve the problems of the cities.

Issues Before Nixon

E. L. WAY

ON January 20 Richard Nixon becomes the President of the United States. He will be a minority president. He did not take a single large city at the election. Indeed if America had the same political system as Great Britain Hubert Humphrey would be the President. His party carried both the Senate and the House of Representatives by a substantial majority. And Nixon only won 43.6 per cent of the popular vote. It was the votes of the Electoral College that gained the Presidency for him. (The members of this College are appointed by each state in numbers equal to the numbers of senators and representatives returned to Congress by the state. Each state has 2 senators but the number of representatives returned depends on the size of the population : the average would be 1 member for approximately 300,000 persons.) The electoral college and its vote are recognised to be a deplorable anachronism. The American Bar Association has voted for its abolition, and for the provision of more direct democratic procedures. Very simply it suggests that whichever candidate receives the

larger number of popular votes shall immediately become the president-elect.

Last days of L.B.J.

Mr. Johnson's time at the White House is fast drawing to its close. The judgment of history will be more merciful to him than the judgment of the electors has been. He has driven more social legislation through Congress than any of his 34 predecessors. He has tried for peace in Vietnam, and he has worked hard for the Negroes. He had hoped to crown his labours with the Senate ratification of the non-proliferation treaty, a surprise tour of Russia, and progress at the peace talks in Paris. The dream of the Great Society which he conjured up in the early days of his presidency was destroyed, like so much else, by the seemingly never-ending war in Vietnam. He would have liked a little butter for the poor man but the guns had to be paid for. He failed to carry public opinion with him. He said some months ago that what chiefly concerned him was what his grandchildren would think, and he believed that his work for the negroes and his determination to bring peace to Vietnam would be fairly judged. Before he rides up Pennsylvania Avenue on January 20 to his retirement he will at least be able to make easier the period of transition.

Nixon

One must be extremely cautious about what is written about a politician. Nixon has been called "tricky Dickie". But much the same has been said about Harold Wilson. And it is plain that neither man is dishonest nor a fool. Both men will accomplish what the powers that be (money power), will let them accomplish, neither more nor less. And whatever is said about Nixon his courage should be recognised. He was down — and out, cold. Politically he was finished. He told the journalists that they would have to look for somebody else to kick around, for he was through with politics. But this "two-time" loser got up and fought back, and won. A man who cannot be held down has all my admiration. Doors must finally open to his incessant

knocking. Nixon should be given a chance to show what he can do, even though one dislikes all his party stands for. They say also that he is an opportunist. Well, if politics is what the money power is forced to concede, to be an opportunist is essential.

Priorities

Nixon's Administration will almost certainly be a businessman's administration. And for the businessman the cutting of taxes is likely to be at first a priority. But if cutting taxes leads to more spending money in the pocket where will that lead to? It will lead to greater inflation. And will the businessman want that? At present the dollar's purchasing price is shrinking at the rate of 4 cents a year. If the businessman wants the dollar to be worth less he will be in favour of cutting taxes before anything else. If he wants to steady the dollar he will have to give up the notion of cutting taxes. But suppose that it is possible to reduce the federal budget then would it be possible to reduce taxes?

Vietnam

If the shooting in Vietnam continues to decline would this lead to a cut in the federal budget? One thing is not likely: American troops are not suddenly going to be withdrawn from Vietnam. There is too large an American investment in that country. (Spending on the Vietnam war is now running at about \$28 billion a year.) President Thieu need not worry. The Americans clearly do not want to cause panic and chaos in Saigon. There can only be a gradual phasing out of the American military effort as South Vietnamese forces take over. And even if the war should end there will have to be a massive rebuilding programme. The new president will be lucky indeed to get any cuts in the federal budget as far as Vietnam is concerned in his first 18 months in office. And there are two further considerations: the war has to be paid for, and the arsenals of the Pentagon have to be replenished. Mother Hubbard's cupboard of bombs and rockets is nearly bare. The old weapons have been used up faster than the new ones have been

delivered. A further consideration is that the Russians are certainly growling louder from the North Cape through Germany right down to the Levant than they have done for twenty years. They are on the NATO frontier in Bavaria for the first time in that period.

Black Man's Burden

These considerations will certainly furnish more reasons for the money power to devour the poor man's porridge. And on top of that there will not be lacking those who will be urging Nixon to cut the federal budget by slashing the welfare programmes. We in England never fail to do so when we are in financial difficulties. It is a sound financial principle that the poor man should lose the little he has got but that on no account should the top people have their top salaries slashed. This is what is called providing incentives : whips and scorpions for the poor and gold for the rich ! Congress forced Lyndon Johnson to cut welfare spending as a sop to the people who had their taxes raised. But when poor Johnson cut back on educational and social spending Congress immediately got up on its hindlegs and roared its disapproval. For Congress knows the obvious relationship between deliberately increasing poverty and misery and a rapid decline in voting support. The black man's burden, and the white's, can scarcely be increased in the U.S. without, in many cases, the intervention of death. Not that that would perturb the smug.

The Ghettoes

Another of Nixon's priorities must be the rebuilding of American cities. And it is said that this rebuilding together with a new role of leadership in dealing with poverty is going to be assigned to the free-enterprise system. This is the Rockefeller formula. Give the businessman the leadership and the money and he might become faintly excited about the public interest. He might momentarily take his eye off the individual company's income statement. The latest principle, it is being said, is that just as business makes an investment in equipment and plant and loses profit for a time, so a like

investment in human beings, in the community, will eventually bring a similar and more secure profit. Briefly, the business world somewhat late in the day has discovered that man cannot live by profit alone. A little justice is a gilt-edged security. (Some think that this approach could be debated usefully if it had not been tried for 20 years and found to be a complete failure. This bankrupt approach, they say has already been over-tested.)

Mr. Nixon, however, is on record that the business world is to play a vital part in his entire domestic programme. He proposed as incentives direct credits and accelerated depreciation: perhaps a combination of the two. And he intends to build "black capitalism" or "black economic power" by producing loan-guarantee programmes, the creation of black-controlled banks etc. He said, "Faced with an urban crisis the first instinct of many has been to demand vast new government programmes — whether a Marshall plan for the cities, a doubling of public-housing funds, or a government-guaranteed income for everyone. Yet even at the best these government programmes would only scratch the surface of the need. They would drain the federal Treasury to soothe the public conscience, but they would fail because they would leave untapped the greatest reservoir of neglected resources in America today." In this last sentence he was referring to the energy and managerial ability of the free-enterprise system.

Other Major Items

Before a fourth murder is added to the ever-lamented deaths of the two Kennedy's and Martin Luther King firearms must be licensed. (Who can doubt that if Humphrey nearly won the presidency Robert Kennedy would have had a landslide victory at the polls in November? The loss of those two incomparable brothers will never be estimated.) And when will America wake up to the idea of family allowances? Sixty-two nations have some kind of allowance, including every European nation, and a recent Gallup Poll showed that 90 per cent of Americans think that they are "a good idea". Finally the American election system has

to be cleaned up. At the recent election a reporter registered under the name of 'James Joyce' for a *night* in a West Side ghetto in Chicago. He then moved out of the district, yet the name 'James Joyce' appeared on the election registers as the name of one of the voters. (The same method, with the same name, was tried with equal success in the Northern Ireland elections some years ago with equally successful results.) One of Somerset Maugham's characters in *The Gentleman in the Parlour* said, "I'll give you my opinion of the human race in a nutshell, brother; their heart's in the right place, but their head's a thoroughly inefficient organ." Is the heart always in the right place? Let us pray to God that the Nixon Administration does not waste four years in the exploration of alleys known only too well to be blind. If it does Richard Nixon is not the kind of man to find solace on the golf-course.

First Moves In U.S.A.

(1) In Europe it is believed that the President-Elect will call for another "Breton Woods" shortly after inauguration. The present disarray in the Western money system is caused not only by the weakness of the franc and the pound.

(2) Those who have been kind enough to read my articles in the past may or may not be surprised to learn that agents of the Federal Bureau of Investigation are checking the circumstances of those organizations which testified that there was widespread hunger in the U.S.A. It is to be hoped that the exposure of intolerable conditions will not continue to be an un-American activity.

E.L.W.

MONTHLY REPORT

Our Story

(3) Voluntary Co-operatives in Korea

SISTER GABRIELLA MULHERIN

Growth and Expansion

In the three years, from 1960 to 1963, the credit unions had increased to 52 with 6,925 members, with total savings and loans averaging £70,000 (U.S.). The idea had "caught on" and people who felt in the past that they had nothing to save but were forever burdened with usurious loans had learned that even one *Won* has some value when it is put alongside the savings of many others and then put to work in mutual loans at small interest.

With growth and expansion from the vicinity of the Centre into the whole province and beyond we realized that we should take another step forward. Our few instructors could not reach all who asked for our services; it was up to us to multiply our effectiveness through the training of local leaders who would live close to the people.

Leadership Training was begun in March, 1962. A ten-day workshop for potential leaders and those already engaged in credit union management was opened at Nazareth House, of the Voluntary Co-operative Centre in Pusan. When the trainees assembled, it was evident that they came from many levels of Korean society and from scattered parts of the country. Among the students were men who had held high government offices, a retired dean of a University who was also a national poet and at this moment of writing is the Honourable Speaker of the National Assembly of South Korea; there was also two Protestant Ministers, one Roman Catholic Priest, social workers, teachers and two fishermen from Cheju Island. This first "Leadership Seminar" as we have called the courses since that time, lasted ten days. It was an experience that convinced us, as well as the partici-

pants, that we had found the way to penetrate the masses with the co-operative messages of hope for the future.

The year of change was 1963. The building which had been contributed for the use of the Voluntary Co-operative Centre on the Maryknoll Sisters' Compound had to be vacated since, in the near future, the property was to be transferred to the Diocese of Pusan. A new location had to be found. With the training of leaders from various parts of the country, the expansion of the credit union movement spread over most of the country and several off-shore islands. Shortly after the organization of the first credit union in Pusan, the Central Credit Union of Seoul was organized under the auspices of Father Louis Chang, a priest of the Seoul Diocese who had received training at Antigonish and Fordham University in New York City. Elsewhere in the Seoul area other units had been trained and organized through our Centre in Pusan. It was our opinion that a location in the Capital City would enable us to develop not only credit unions but other co-operative enterprises through a more general programme of specialized education for socio-economic enterprise. During the years since 1960 we had maintained good relationship with the government ministries and the National Agricultural Co-operative Federation. Better service to the whole field of co-operative education and economy seemed to indicate that establishing a permanent centre in Seoul would be generally advantageous.

The Co-operative Education Institute

The long era of "relief economy" was still foremost in the consciousness of the people. The Voluntary Co-operative Centre in Pusan had on occasions been mistakenly considered to be a "relief centre". Since our purpose was to prepare the people for a responsible "self-help through mutual help" approach to economic stabilization, and education was the method we wished to employ to attain that purpose, we decided to change our name and the move to Seoul and setting up our "centre" there seemed to be the opportune time for that event. The name we chose was "The Co-operative Education Institute". It was our

intention to invite the scholars of Seoul to seminars as lecturers, and we wished to co-operate with colleges and universities in new programmes projected to reach the people more directly. There was serious consideration given to accepting the invitation of one of the prominent educational institutions to locate on the campus but the time for that seemed premature. We realize the difference between the goals of academic institutions and our own wish to extend specialized training to the people according to their needs in time and place. Informal collaboration appears to us at the present time to be the best means of reaching our ends.

The Big Move

On July 7, 1963, the staff assembled from Pusan at a location in down-town Seoul where we were allowed the use of one floor of a building belonging to the Archdiocese. We realized that this building was waiting for a buyer but our impression was that we would have at least a year there and we proceeded to renovate the place according to our need. It proved, however, to be merely a "stop-over" for in the midst of the biggest snow storm Seoul had in years, on January 12, 1964, we were requested to vacate the premises within a month. Where to go was the big question. Much had already been spent in renovation that could not be salvaged, and our bank account was already budgetted to a point near extinction, but out we must go and soon. A decision was made that we had to find a place we could call our own "be it ever so humble". That meant scouring Seoul and environs for a spot of the right size and price, and we all took to the road. Meanwhile we had to store our furnishings and be content with two rooms of a family home rented for a few months, with just enough space for us and our desks.

Within the short period of a year a development boom had been started in Seoul. Rice lands were converted into city lots in what formerly was the country-side around the capital city, but in the future would be the "new Seoul" with a highway leading from the international airport through the heart of the city. Lands we investigated less than a year

earlier when we thought our budget was immovable — and then priced at five hundred to eight hundred *won* a *pyung* was now raised three to five times that figure. One consolation was that it would continue to increase in value as the highway went through and industrial development continued, and that even borrowing to buy it now would pay off later. And that's what we did. Two hundred and twenty *pyung*, with nothing around us but rice fields and cement-block manufacturing lots. Then the barest essentials to accommodate us and our work meant setting up two quonset buildings, insulating and trimming them to look habitable and functional, then a wall, a gate-house and a gate. Last of all we put up our sign and had a grand-opening. Nobody could put us out of this place, so we settled in.

There are many ways of starting a new work and, in particular one that is projected to make an impression on a nation-wide scale. The most general way is to let everybody know what's afoot, try to take up a big collection, and find out, in nine cases out of ten, that you've spent more in making the collection than you've gained. Then, with all that noise made, the next thing to do is to put up a "representative" building. By the time the building is up the project is so deep in debt that the work has to wait until other collections can be taken up in the future.

Our way was the opposite to that just described. We let the people do the advertising for us as they told others about the help they had received when we scraped the bottom of our pockets to do something for them. What we had we used to reach the people, for their need was urgent, and it would be more "representative" of our goals if they and we could advance together. That is why we have "made do" with our humble quonset buildings for the three years and more we have been in Seoul, and we have enjoyed watching the change in expression on the faces of the hundreds of students who have taken their courses in them, and gone out again knowing that it is the spirit that counts when people are to be influenced. More space, however, is a necessity for growth and we are now happily looking forward to the NEW BUILDING which Oxford Famine Relief will help

us to erect. Our "green roofed" quonsets will still be used as needed for dormitory or other purposes.

The Korea Credit Union League

Maturity in voluntary co-operative enterprise should come with the formation of a Co-operative League. In 1964 we recommended to the seventy credit unions then scattered all over the nation, and on its islands, that it was time to consider the formation of a national Credit Union League. Preparations for this were made in advance, and on April 24, 1964, delegates from all the credit unions met in Seoul for the organization of the first Korea Credit Union League.

The function of a league is to represent the credit unions, which themselves are autonomous, in public relations, overall administration and promotion. The officers of a league are elected by the delegates from the credit unions, and they are answerable to them and to the members for their administration. Support of a league should come from the credit unions, since it is a service organization for the benefit of all. Leagues are eligible to international affiliation in co-operative federations, and participate in the world-wide co-operative movement.

During the years from 1960 to 1964 the Centre — and later the Co-operative Education Institute — performed the functions of a national league for the benefit of unit credit unions. The reason for this was to insure a solid foundation for the new movement and to furnish adequate training for officers and leaders who would, in due time, assume responsibility for management of an autonomous league. Our service was without compensation, and all our resources were contributed.

In order to fulfil our long-range plan for the education of leaders in co-operative enterprise of various kinds, we felt that we should encourage the League towards completely autonomous administration. This could best be done, it seemed to us, under their own elected officers. However societies, being made up of people, show characteristics of human growth. Maturation is something that cannot be realized on a time schedule, but over-dependence is a threat

to maturity. A certain amount of trauma is to be expected and within the limits of the "normal". All of these characteristics were evident in the process of transition from dependence upon the Institute to independent administration. Pages could be written about details of this experience but the value of their telling is doubtful. It was in June, 1965, that the Korea Credit Union League moved from the Institute to its own rented quarters and began to function under its own officers. Chang Yul Kwak, who had been a member of the Institute staff for a year and a half, resigned and became the League's Managing Director. Sang Ho Lee, who had come to the Voluntary Co-operative Centre in 1962, resigned in 1964, and served as one of the officers of the League. Hee Sup Park and I were also elected board members in 1964, but in order more freely to pursue our aims in the programme of the Co-operative Education Institute we had resigned from elected offices during 1964 and 1965.

The Credit Union Law

This record would hardly be complete without some reference to legal provision for credit unions. In Korea there is no law for or against credit unions. There is a National Agricultural Co-operative Law which includes provisions for agricultural credit but is not inclusive of personal credit. When we first began to talk about credit unions in Korea, as far back as 1959, this question of law was considered and discussed with government departments concerned. The more cautious among people (not government) who heard of our intentions to encourage credit unions here suggested that it was too great a risk unless there was a law for "protection". In the early days of our work the government in Korea was unstable and we felt that it was unprepared to formulate a law that would guarantee democratic principles of organization and management. It had too many other, more urgent things to legislate about to be overly concerned with these new groups which we represented and, I believe it had enough confidence in us, since we were very open in our discussions and furnished reports of

our activities, to take a "wait and see" attitude towards the new movement.

We worked on the principle that it would be the people themselves, after they were sufficiently trained and experienced in credit co-operatives and the democratic principles of their management, who would work through the problems of law with the government.

And such has been the case. Our contacts with the Ministries concerned have been open and continuous and during the past two years they have approached us for our opinion and assistance in the formulation of a suitable law. Although I have sat in on such conferences, given my opinion when requested and supplied information from international sources, I have left the rest to the people. Hee Sup Park has been foremost in work with the government and his opinion is respected. Now that the Credit Union League is an autonomous organization we believe that the responsibility for continuing our efforts will be in that body.

New Horizons

With the first step in our planning for voluntary co-operative action among the common people completed in the separation of the administrative functions of the Korea Credit Union League from the Institute, we are ready to undertake other work which has been beckoning to us for a long time. It is hard to choose which to do first, or how much time to give to each if we do more than one at a time.

We have the choice between tackling many needs of the people: consumers' co-operatives, housing, medical services, insurance. The field for all is wide open. The National Agricultural Co-operative Federation is well established in farm producers' and marketing co-operatives.

It has seemed to us that something should be done in consumers' co-operatives. Since many of the KAVA agencies are concerned in the field of community development—rural and urban—we suggested a Feasibility Survey for Consumers' Co-operatives and chose the Seoul-Inchon area. KAVA and the National Catholic Welfare Conference, Catholic Relief Services supported this survey which has now been completed.

There is a real need in the urban areas where industrial development is beginning. In rural areas where the people have already been trained in saving for capitalization there are good prospects. So we are once again starting on the bottom rung of a ladder — but the big difference now is that it is our second ladder to be climbed and we know from experience where to put our feet. Our first seminar to train future leaders for consumer co-operative enterprise will open on August 8 and continue for three weeks — about 105 hours of study and discussion.

Other Fields and Other Faces

In June, 1965, after graduation from The Coady International Institute at Antigonish, Sister Marian James Connell came to work with us, but after ten months received another assignment. Other newcomers have been Sang Hyuk Lee, formerly of the Food and Africultural Organization in Seoul, and a young volunteer, Young Joong Kwon.

The world is becoming more and more aware of the necessity of a brother-to-brother approach to society and its problems as it faces the alternative of nuclear holocaust. Since we began our work in 1958 the threat to mankind has increased. Wars that were intended to end future wars have left residual effects which ignited further conflict. Colonial nations have granted sovereign rights to subject peoples who are finding their way in a maze of competition for which they are unprepared. In world conferences, especially in Asia, we hear repeatedly "What we need is good leaders !"

Dag Hammarskjold and John XXIII, both men of peace, have shown the world a way to peace. Vatican II has stirred the consciences of men toward community. Men are asking once again, "How can we do it ?" Invitations are coming to us from new sources to show how it can be done and we ourselves are seeking deeper insights from the people around us whom we serve and with whom we wish to find the answers. If past experience has taught us any one thing more than another it is the necessity of putting love into action in our dealings with men. By love we do not mean the softness that covers up the defects of society and leaves

them to infect the world, but a strong love that represents the dignity of our fellow-men as we naturally wish them to respect us. It is a love in truth, a love in trust and a love in humility of action. Techniques are necessary and the knowledge and use of them makes achievement easier. It will, however, be only the spirit that will attract and having attracted will impel men to action. There is a universal symbol for co-operation and it is a circle of people with hands joined encircling the world. People will not join hands unless they respect each other. If you ask us "How can it be done?" this is the answer we will give. Doing it requires patience and perseverance — and as much knowledge as you can gather, but the core of the matter is "*Do to others as you would wish them to do to you*" — and start now !

Back Where We Started

This year, 1966, Antigonish came to Korea. It is nearly a decade since I went to Antigonish and found the inspiration and the method I was seeking. The founders, Dr. (Monsignor) M. M. Coady and the others who gave me so generously of their time are now, most of them, enjoying the reward of their labour of love, either with God or among their fellow-men. But a new generation is taking their places, with the same inspiration, the same love of God and mankind in their hearts, but an ever broadening vision of the world in which we live. The leader of the new generation is Rt. Rev. Monsignor Francis J. Smyth, Director of The Coady International Institute. Monsignor Smyth has travelled the world to give his services on the request of governments and former students who have shouldered the burdens of their people. Completing the Circle, he came to Seoul this March. Unfortunately he was physically exhausted when he arrived here and had to be hospitalized for about three weeks. Mr. George Wicks, Registrar of "The Coady" and a friend of many former graduates was his travelling companion, and while in Korea exerted himself to meet and visit with all former "grads".

August 6, 1966.

[Concluded]

Seoul, Korea.

THE INDUSTRIAL ANGLE

Dr. Jackson here explains the increasing volume of trade between the advanced industrial countries, the mistake in identifying primary producers with underdeveloped countries, the kind of international institutions that are necessary to increase international trade, the functions of an international currency and why gold has been used, and is still used, as a medium of exchange. He also outlines the case against gold.

What Kind of Economic System?

(X) THE INTERNATIONAL SCENE (i)

J. M. JACKSON

SO far, in this series of articles dealing specifically with the kind of economic system we should be trying to create I have concentrated on the internal economy of our own country. No country, however, can live in economic isolation from the rest of the world, and it is therefore necessary to look at the ordering of international economic relations. There are clearly advantages to be gained from the trade which takes place between nations, yet at the same time there are problems created which do not necessarily occur within a single country. Clashes of economic interest may occur within a country, but generally speaking they will be less bitter than when they are between nations. People may accept a measure of responsibility towards the poor of their own country yet be reluctant to assist the poor in other lands, particularly those in the underdeveloped countries where living standards are deplorably low. The very existence of separate currencies and national frontiers complicates

foreign trade, even when all concerned are anxious to promote a larger measure of trade.

The Gains from Trade

How do the countries of the world benefit from trading with each other? The most obvious way is that one country may be able to supply something another country cannot produce for itself. A country without deposits of iron ore cannot produce iron and steel unless it can import the ore from another country. If, however, trade were limited to goods a country *could* not produce for itself, the total volume of trade would be much smaller than it is today. It is not true to say, for example, that Britain cannot produce bananas or other tropical fruit. It would be quite possible to build greenhouses and create artificially the conditions required for their production, but it would be very costly. Nor does this merely mean a lot of money would be spent. The high cost in terms of money reflects the fact that it is not easy to produce bananas in Britain, and that to do so it would be necessary to employ a great deal of labour and capital equipment. In other words, a great deal of our scarce labour and material resources would be used in order to produce comparatively few bananas. It is therefore better to produce those things which we are good at producing—manufactured goods which make use of our relatively abundant supplies of skilled labour and capital equipment — and sell some of these abroad in order to pay for the imports of goods we are not so good at producing for ourselves.

At first, international trade was limited to the import of a few luxuries. With the Industrial Revolution, there was a major change. Britain developed the export of large quantities of manufactured goods and in exchange imported large quantities of food and raw materials. In more recent years, the picture has changed again. Whilst there is still this kind of trade between the industrial countries of the world and those which are still mainly dependent upon the production of agricultural goods and mineral ores, there is an increasing volume of trade *between* the advanced industrial countries.

The gain from this latest development is not so easy to understand. There are, however, fields where the economies to be gained from large scale production make it desirable for there to be an increasing measure of international specialisation. The cost, for example, of developing a new type of aircraft are enormous, and it is no longer possible for any country (except perhaps the United States) to think of producing a complete range of aircraft. If Britain and France both decide to produce a particular type of aircraft, the costs of developing the new design will be incurred by both countries. The development costs are halved if only one country produces an aircraft of this kind or if they agree to collaborate. In other fields, there may well be a sufficient demand for most countries to produce a particular range of goods. In the absence of special considerations to the contrary, it will be to the consumers' advantage if goods from all producing countries are available. Some people in this country may find that the Volkswagen is the most suitable car for their purposes, whereas somebody in Germany might find he preferred one of the British models.

Agricultural Countries and Underdeveloped Countries

There is some danger of identifying primary producers, that is countries exporting mainly food and raw materials with the underdeveloped countries of the world. In fact, some primary producers are relatively advanced. Australia and New Zealand are cases in point. There has been some industrial development in these countries, and there may well be a lot more in the future. Yet one would hardly expect that they would not continue throughout the foreseeable future to depend in their export trade primarily upon meat and wool. Denmark, too, is a country enjoying a high standard of living and depending upon food products for a large part of its export earnings. The underdeveloped countries have very little to offer in the way of exports, whether of primary products or manufactures. For the most part they lack raw materials that the rest of the world wants, and their food production is barely sufficient to meet

the needs of their own growing populations.*

What kind of International Institutions?

If we begin with the assumption that more international trade is a good thing, we must then ask what kind of institutions do we need to promote the growth of such trade. I would suggest that the promotion of international trade is practicable and desirable if in general there is full employment and balance of payments equilibrium in most countries. If there is heavy unemployment in one country, there is a danger that that country might try to reduce unemployment by cutting imports and pushing its exports, even if it already had a balance of payments surplus and was thereby creating difficulties for other countries. Equally, a country that has serious balance of payments difficulties cannot be expected to refrain from limiting imports or to limit imports only by deflation (curtailing incomes at home and increasing unemployment in the hope that this will reduce the demand for imports).

Given full employment and balance of payments equilibrium, the ideal would be a system of free trade. There has, in fact, been a substantial lowering of tariff barriers and other restrictions on foreign trade since the end of World War II. In order to maintain such a state of affairs, one of the most essential requirements is a satisfactory international currency. In addition, the special circumstances of the underdeveloped countries must be recognised, and means must be found for channelling to these countries the economic aid they need. International monetary arrangements must, at the very least, not hinder the flow of aid to the underdeveloped countries.

Functions of an International Currency

An international currency must fulfil essentially the same function in relation to international trade that our ordinary domestic currency fulfils in relation to domestic trade. It is

* There are, of course, the countries of the Middle East which derive a considerable revenue from their oil resources but which have not yet utilised these revenues in a way to secure the economic development which is possible.

essentially a medium of exchange, a means of making payment and must, therefore, be generally acceptable.

The amount of money required in an economy, whether a domestic economy or the international economy, depends upon two things: the volume of trade taking place and the monetary habits of the community. The more trade is taking place, the bigger the supply of money needed to facilitate it. Nevertheless, changes in monetary habits can reduce the amount of money required. If, for example, producers and traders are prepared to make greater use of trade credit, less actual money is needed.

In the international economy, gold has for a long time been the basis of the monetary system. Everybody has been prepared to accept gold in payment of international debts; and to accept other currencies in settlement to the extent that they feel they can rely upon getting gold in exchange for that currency. In practice, of course, it is not usual for all international debts arising from trade to be settled by shipping gold from one country to another, or for that matter by handing over notes and coin of an acceptable currency. Suppose, for example, that an American importer wants to make payment to a British exporter from whom he has bought goods. He may simply instruct his own bank in America to make the payment on his behalf. This bank may have an office in London, which has funds invested in various ways, including perhaps a deposit with one of the London clearing banks. All it does then is to debit its customer's account in America for the sum due to the British importer, whilst the latter is paid out of the funds the American bank has in London.

A great deal of foreign trade may be financed by increasing or running down the balances held by banks in foreign countries. Only when there is an imbalance does the transfer of gold become necessary. If, for example, British importers consistently have to pay more to American exporters than American importers have to pay to British exporters, the British banks will soon find they have no funds left in their American offices.

If a country has adequate reserves of gold and foreign

exchange, a temporary deficit in the balance of payments will not cause any difficulty. If, on the other hand, a country has very small reserves, a deficit for even a very short period may give rise to difficulties. Whilst balance of payments equilibrium was assumed to be a prerequisite of any orderly system of international trade, this does not mean that an exact balance will be maintained month by month. Most countries will find that there are seasonal fluctuations in their trade. Agricultural countries may find that a bad harvest may reduce their export earnings in a particular year. Adequate reserves are essential if a country is not to be forced to take drastic measures in response to purely temporary difficulties.

Why Gold ?

Gold is a metal that for centuries has been valued for its own sake. It can be used in making jewellery and other articles that people prize. This being so, it was natural that gold should be used as money both internally and internationally.

During periods of economic stability, gold no doubt proved a useful international currency. But in periods of instability or rapid growth, it may be less satisfactory. When countries were on the gold standard, they were expected to take appropriate action when in balance of payments disequilibrium. Countries with a deficit were expected to deflate whilst those with a surplus were expected to inflate. Deflating countries would tend to reduce their imports and increase their exports whilst inflating countries would tend to reduce their exports and increase their imports. Thus the tendency would be for the action taken by both sets of countries to improve the disequilibrium.

In practice, things did not work like that, certainly not in the period after World War I. Countries in surplus simply accumulated reserves of gold and did not inflate. The whole responsibility for adjustment was thrown on the deficit countries. At one time it was thought that as countries lost gold, their internal money supply would be reduced and prices would fall. With falling prices, the

country's exports would tend to increase and home produced goods would be preferred to imported ones. But prices rarely fell, and deflation led to a reduction not only in money incomes but in real incomes as unemployment increased. Reluctance to return to the gold standard exists because countries do not want to put their level of employment at the mercy of the balance of payments.

At the present time, the volume of international trade is increasing steadily, and in most countries the level of prices is rising. For monetary purposes, the price of gold is fixed at \$35 an ounce and most currencies are linked to the United States dollar. This means, therefore, that the value of the world's stock of monetary gold remains more or less fixed in terms of dollars, whilst the volume of trade is steadily increasing and the value of that trade in terms of dollars is increasing even more rapidly. Unless, therefore, means are found of making the existing monetary stock work harder, difficulties are likely to arise.

France has been a leading advocate of a return to the Gold standard with a change in the price of gold. If the price of gold were doubled, it would make a very big difference to the ability of the existing stocks to finance the growing volume of trade. Moreover, it would make more profitable the production of gold, and encourage both a higher level of production and the diversion of gold from the industrial market to monetary uses.

The Case against Gold

The case against the French proposals is quite strong. The most important point has already been made. The level of employment cannot be put entirely at the mercy of the balance of payments.* Secondly, the revaluation of gold would benefit only the producing countries and those holding large stocks of gold. Insofar as people want gold ornaments and the like, the production of gold is a worthwhile economic activity. But to give gold producers a greater amount of the production of other countries in exchange for their gold

* Of course, a country cannot expect to run a deficit indefinitely and sooner or later corrective action must be taken. But clearly it is preferable that a country should have taken time to make the adjustment without being forced to take violent deflationary action immediately.

insofar as it is to be used for monetary purposes is not, *if there are satisfactory alternatives for use as money.*

Internally, gold and even paper money, has ceased to be used as a significant means of payment. Most payments of any amount are made by cheque, by the transfer of a deposit at the bank from one person to another. There is, in fact, no reason why a similar system should not be devised for international use. A limited movement in this direction has already been made by the establishment of the International Monetary Fund. Countries belonging to the fund deposit with the fund a certain sum, partly in gold but mainly in their own currency. Countries in deficit on their balance of payments can, within limits, draw upon their "quotas" with the fund in order to pay their creditors. The system has been extended by means of the Special Drawing Rights recently agreed upon.

Such a system is capable of considerable expansion. A country could meet deficits in its balance of payments by drawing on its I.M.F. quota; countries with surpluses would have an increasing credit with the I.M.F. which could be used to make payments when the need arose. Moreover, if a suggestion of the late Lord Keynes were to be adopted, it would be possible to arrive at the situation that was supposed to exist under the old gold standard. This was that debtors would pay interest in their drawings on their I.M.F. quotas, and countries that were running surpluses and increasing their credit with the I.M.F. would also pay interest. Thus there would be an incentive for surplus countries to avoid paying interest by expanding their imports and correcting their balance of payments surpluses. It is quite wrong to suppose that balance of payments deficits are a sign of economic mismanagement whereas surpluses are a sign of good management. Up to a point, a balance of payments surplus may reflect efficiency, but also a failure to act in a responsible manner. Countries which do not import on a sufficient scale are responsible for creating difficulties for other countries in the world economy.

other countries in the world economy. (A subsequent article will take up the problems of the underdeveloped countries.)

**What is the morality of the use of tape-recorders?
Is it true that the Church let Napoleon have a
divorce from Josephine? Have hair-shirts gone
out of fashion? Is there such a thing as a
temporary vocation to the religious life?**

Any Questions ?

WILLIAM LAWSON, S.J.

What is the morality of the use of tape-recorders?

It would be simpler, and it would meet the question better, to talk about the immoral uses of tape-recorders. You can "tape" as much as you like when you have the permission of those to whom the sound belongs, and reproduce the sound to the extent that they allow you to do so — that is simple, straightforward, and unusual: most taping is done without permission, and much of it amounts to piracy on the sound waves. When a book is printed in breach of the copyright laws, it appears in what is called a pirated edition. There are pirated editions of sermons, speeches and lectures, made sometimes by people who think their taping is not only honourable but even holy. They are so intent on the Christian wisdom of the words they have garnered that they treat them as common property. Their conscience would reproach them were they to take down a series of lectures in shorthand, type them up, and publish them (though that has been done, apparently in good conscience); but they tape a series of lectures or conferences without permission and play them back whenever and wherever they choose. Are they aware that they are stealing? They know they have done an act beneficial to audiences they have in mind; and perhaps that is as far as their thinking takes them. What they have also done is deprive the lecturer of his livelihood. He has put all his training, and many hours of careful thought and composition, into the preparation of a lecture course; and he could reasonably expect to go on circuit with

it and make a living. Poor man, he has been short-circuited. The pirates have him taped. His potted voice has been heard throughout the land. He can stay at home, penniless, and prepare a new set of lectures.

Is it true that the Church let Napoleon have a divorce from Josephine ?

No. In the history books you can sometimes read that Napoleon divorced Josephine with ecclesiastical approval; but such statements are erroneous, through failure to distinguish the granting of a divorce and a declaration of nullity.

On the eve of the coronation of Napoleon in Notre Dame de Paris, in December 1804, Josephine revealed to Pope Pius VII that she and Napoleon had not been married according to the laws of the Church. The Pope thereupon declared that he could not attend the coronation ceremony unless the marriage was put right. Napoleon was furious at Josephine's manoeuvre to force him into an indissoluble marriage; but for political reasons he wanted the Pope present at the coronation, and he therefore decided that the religious marriage was to take place at once, with his uncle, Cardinal Fesch, officiating, but with no witnesses. The Cardinal had obtained from the Pope all necessary faculties to officiate at the wedding : but he neglected an important prescription of canon law, and Napoleon took advantage of his lapse.

In 1809, Napoleon, who wanted to make a political marriage with an Austrian Archduchess, appealed to the ecclesiastical authorities in Paris, who were anxious to meet all his wishes, to declare his marriage to Josephine null and void. The ground he put forward for the decree of nullity was lack of consent on his part to the contract : he said that he had only feigned consent, so as to satisfy the Pope. That could well be true; but Napoleon had not manifested his withholding of consent, and his sole statement was not enough in law to establish it as a fact. The decree of nullity was, however, granted because the marriage had

certainly been clandestine, and therefore, according to the Council of Trent, invalid.

Have hair-shirts gone out of fashion? If so, is that a good change or a bad?

“Fashion”, I think, is the wrong word, as it suggests a usage based on irrationality of taste. Bodily penances have been inflicted on themselves over the centuries by Christians and others aiming at the perfect control of body by spirit. The practice will always continue as part of training in the virtue of temperance. There is even a secular version of it for athletes.

If the apparatus for the more extreme forms of mortification has gone out of use, the change may indicate an advance in Christian asceticism. The aim of Christian self-discipline is purification of the soul in the likeness of Christ. When it is successful it produces the “New Man”, strong in faith, hope and charity, ready to show meekness and courage, patient, kind, unselfish. Those enrichments of personality can be achieved, with the grace of God, in many ways; and the insistence in this age is on methods which are themselves spiritual. As Our Lord says, the heart is the source of evil. Direct action on mind and will can more surely put the body in its place than can bodily penance which is worse than useless if it does not affect the spirit.

Self-inflicted bodily penances, such as moderation in eating and drinking, have their value. The more positive self-denials are more prized because their deprivations are not sought directly but come as a consequence of the assertion of good. Work for others — teaching, nursing, making a family livelihood — can be charity in action. It brings weariness to be borne cheerfully and patiently. The whole operation, undertaken in the spirit of Christ, is purifying by its very positiveness, and, similarly, the sustained effort to speak well, with truth, tact, modesty, and gentleness, and with the appropriate attentive silences which are a large part of Christian conversation

Is there such a thing as a temporary vocation to the religious life ?

There have been many temporary religious — men and women who embarked on a religious life and later abandoned it. Would one be justified in saying that at least some of them had honestly responded to a call from God until it ceased, and only then, their vocation being at an end, had left a state of life where God no longer wanted them ?

The initial resolve to seek membership of a religious order has to be tested for genuineness. The first test is the response of religious orders to applicants — there is no vocation if the candidate is everywhere refused. After admittance the new member has a temporary status until he or she is permitted to make final profession. Perpetual vows, it seems to me, indicate the certainty of vocation, because the Church ratifies the promises made finally to God. Does it make sense to suppose that the Holy Spirit would then cease to enable the religious to fulfil those promises ?

Vocation, from the human side, is a willingness to undertake life according to the evangelical counsels, together with aptitude for religious life and acceptance by a religious order. Admission to religious orders is conditional on the suitability of candidates — the Church herself usually requires profession to be at first temporary. But there is nothing temporary in the willingness of sincere candidates — they have a permanent mind to serve God in religious life.

What if willingness fails after final profession ? What if aptitudes disappear — including health of body or mind ? Religious orders, houses and superiors are not perfect. They may even be gravely unchristian. All I can say is that the religious who, in those circumstances, intensify their willingness rather than let it fade are a blessing to themselves, their order and the Church.

I know the Church gives dispensations, but she does so reluctantly.

Before the Second Vatican Council, we Catholics looked upon non-Catholics as infidels or heretics.

Now we pray with them. What has happened to their infidelity and heresy?

If they were there before, they are there now; and that is one reason for praying: so that truth in knowledge and profession will take the place of error.

Prayer by the Church for those not yet enlightened by Christ is many centuries older than the Second Vatican Council. It started with Christ himself and has never stopped. It has been the power in unceasing missionary effort — the invocation of the Holy Spirit who is the source of truth for human minds and hearts. We shall be in the right tradition if we fulfil our obligation of being instruments of the Spirit of truth, making ourselves and others open to the light which will dispel our darkness.

The difference made by the instructions of the Vatican Council cannot be a rejection of our tradition that there is a truth of Christ which the Church is commissioned to propagate. In their laudable eagerness to acknowledge good will, some Catholics seem to have decided that good will is all that matters: the direction of good will is of little importance — it doesn't matter what you think provided you are honest in thinking it. They mix up honesty and truth, which are not necessarily the same. The Council was dedicated to Christ who is the Truth. It directed us to recognize truth wherever it is to be found, perhaps under layers of heresy and infidelity, and to unite our desire for truth with any such desire which will make an alliance with us. Agreement is more stressed than disagreement, and unity more than disunity; but a joint search for truth must itself be based on truth or it will fail.

Sir Paul Chambers, Chairman of ICI, is representative of those who think that the profit-motive ought to predominate in decisions taken by companies in developing countries. Father Maxwell believes this view lacks depth. Other regulators, too, must govern company actions in developing countries. Indeed, if they do, long-term profits might well be greater than otherwise. Father Maxwell cites in this regard the fascinating and enlightened example of the Royal Dutch/Shell Group of Companies.

Private Investment and Overseas Investment

III: The Profit Motive Is Not Enough

J. F. MAXWELL

CLEARLY there is no financial incentive for companies from industrialised countries to set up factories in developing countries to manufacture products, which although desperately needed by the poverty-stricken local population, cannot be sold to them because there is no domestic market and no effective local demand for them.

Here is a quotation from Ragnar Nurkse:

" The hopes that have been placed on direct business investment for the financing of economic development abroad are exposed to disappointment for two reasons of a general economic character. First, there is little or no incentive for private business capital to go to work for the expansion of the domestic economies of low-income countries. Secondly, even for the expansion of raw-material supplies for export, private

business funds will not want to move out in any steady or sizeable flow unless there is confident expectation of a steady and sizeable expansion of demand for such commodities." (1)

Need for an Additional Motive

What then is the solution to this apparent vicious circle of poverty — ineffective demand; lack of domestic market; lack of financial incentive to supply products; lack of foreign investment; continuing poverty? The answer surely is that companies from industrialised countries need a second incentive, besides the profit motive; they need the motive to assist the local people with their own development. They must 'invest in people'. They should remember the dictum of Professor Colin Clark:

"The principal factors in economic growth are not physical but human. Human factors develop steadily but slowly." (2)

Such companies will have as one of their objectives the improvement of the local agriculture and industry, the increase of local demand for labour and materials, the education and training of local personnel, collaboration with local government development plans, etc.

Here is another quotation from Mr. W. M. Clarke, Editor of *The Banker*:

"In some cases profits will be big enough to encourage firms to venture into developing countries. But in others they will be too small to act as a magnet for investment. It is precisely at this point, where a growing number of industrial concerns need to get a vision of the future. Even in cases where an investment is made on grounds of adequate profits, the company might often do more. It can be argued that it is just as bad to go into a country half-heartedly as it is not to go at all. In neither case is the relationship with the develop-

(1) Ragnar Nurkse; *op. cit.*, pp. 87-88.

(2) Colin Clarke; *Growthmanship*; Hobart Paper No. 10; Barrie and Rockliffe, 1961, p. 51.

ing country of the quality that is now needed. What is needed, as Mr. Arthur Gaitskell has so often cogently argued, is a decision 'not to forgo the profit motive but to include beyond it a deliberate motive of fitting in as an ally in the developing countries' objectives'.

This immediately conjures up a variety of ways of fitting in with local development : joint enterprises; the establishment of local minority holdings; agreements on local training; the offer of shares to local employees and investors; and so on. And all these methods bring up a picture of a conflict of interests. The point is that this is bound to be so. Some decision has to be made on what is a fair division of profits between the dividend paid to Western shareholders in a company and, for example, the levy of local company taxes or of a compulsory development levy." (3)

A Traditional View

Now at this point, in all fairness, it must be said that there is a strong traditional body of business opinion, no doubt in all industrialised countries, which would disagree radically that any other additional motive for direct private investment in developing countries can co-exist with the profit motive. Many company directors would no doubt reject the view that it would be right and proper for them deliberately to reduce the parent company's short-term profits in order to increase the subsidiary company's collaboration with schemes of economic development in developing countries. (4) One exponent of this traditional body of business opinion is Sir Paul Chambers, Chairman of I.C.I. Here are his words spoken in 1965 :

"The tradition of respecting private property and of maintaining a system of private enterprise has persisted in many countries such as the United States, Canada, Australia, and so on, and the gaining of complete

(3) W. M. Clarke; *op cit.*, pp. 48-49.

(4) At this conference of Catholic Employers and Managers on May 7th, 1967, where this thesis was originally presented, it was agreed without objection during subsequent discussion that this is indeed the common attitude among businessmen in Britain today.

independence by those countries has made no difference whatever. Indeed, in some of them, the spirit of private enterprise is perhaps stronger today than it is in Britain.

In other territories, however, particularly in those where complete independence has been achieved since the end of World War II, there is a different attitude towards private property and to private enterprise. In some of these latter countries, and I emphasise that it is not in all of them, there is inherent in the public statements made that the industrialised countries have a moral duty to assist them to develop and that this assistance should take the form both of government-to-government aid and the investment by private enterprise. There is, however, less regard for the conditions in which private enterprise can flourish. The leaders of more than one of these countries have said to me from time to time 'What is British industry doing to help develop our country?'

They often want the private enterprises concerned to give them freely all the technical advice necessary to build up whole industries and to train their own nationals. They sometimes also expect the nationals from the countries giving the aid to withdraw when there has been a sufficient training of local technicians; and they imply that control by the country of origin, whether it is Britain, the United States or any other country, should disappear immediately there is a chance that the enterprises concerned can be controlled locally. Paying royalties for know-how and fees for technical assistance and help is often resented. So far as capital is concerned, it is felt that the return should be no more than what *they* would regard as reasonable, regardless of the risks involved, and this seems to be interpreted as 5 or 6 per cent on the capital at risk. If profits are made, it is felt that they should be re-invested within the country, and not be remitted home.

If one looks at these conditions, it is difficult to see that there are any attractions to private enterprise to invest in these less developed countries. The concept of

investment as a contract entered into freely because it is of continuing advantages to both sides, is absent. The dilemma is that, while it is in the interest of both the industrialised and the underdeveloped countries that this investment should take place and that there should, as a consequence, be a steady increase in the standards of living in these countries, there is, at the same time, the greatest reluctance to provide those conditions which would attract private enterprise to make such investment.

..... However large or small a company is involved, it is the duty of the directors to see that the capital which belongs to the shareholders is profitably employed and that the enterprise under their control is efficient and profitable on a long-term basis. *It is no part of the duty of directors of any private enterprise company to use the funds of the stockholders to help the development of an under-developed country in such a way that the profits accruing to the shareholders are less than if the funds were used in some other way.* (5) There must, in my judgment, always be a reconciliation between the interests of the shareholders and the interests of the country in whose territory the funds are being invested. Unless the Government of the country in question is prepared to see that there is such a reconciliation, there can be no justification for investment by private enterprise. We are too often told that it is the duty of a company to do this or that in the national interest or in the interest of some international cause. In my view, if the Governments concerned are doing *their* work properly, there will be the inducement of profit to make the necessary investment. All investment by private enterprise in the past was based upon the profitable use of shareholders' funds, and so long as we maintain a system of private property and private enterprise, such a rule must continue to prevail. To be told that we have not done enough to assist the development of country A or country B leaves me cold when I know

(5) Emphasis added.

that country A or country B is not likely, in fact, to provide the climate for profitable private investment. . . ." (6)

A Certain Lack of Depth

If the above statement which has been underlined is examined closely it seems to show a certain lack of depth. Sir Paul Chambers very rightly says that "there must always be a reconciliation between the interests of the shareholders and the interests of the country in whose territory the funds are being invested." This is obviously true since if there are more benefits for the developing country, there will — in the short term — be less benefits for the shareholders of the parent company. But in a number of industrialised countries there are certain backward or under-developed areas which are designated by their own governments as "development areas", and trading companies are required to "fit in" with the government's policy concerning location of industry, etc. This "fitting in" may well mean that such companies must accept a lower return of profit in view of the various difficulties that investment in these "development areas" entails. If this is accepted as reasonable and fair for investment at home, why should the same requirement of "fitting in", admittedly at the price of a lower return of profit, be regarded as unreasonable and unfair when it is a case of investment in a developing country?

In practice, everyone knows that giant companies like I.C.I. have in recent decades made every effort to "fit in" with requirements not only of local and national development plans but also of the "welfare state" in Britain. But apparently there is still an "investment climate" in the Board Rooms of public companies which allows directors only to speak about the use of profits earned in the developing countries as if they were still living in the "laissez faire" days of the nineteenth century! Perhaps the "investment climate" needs changing in the Board Rooms as well as in

(6) Sir Paul Chambers, C.B., C.I.E. Annual Address to the Bradford Textile Society, January 18th, 1965, "Exports and Investments Overseas", pp. 7-14.

the developing countries ! In fact the "investment climate" amongst shareholders, especially among the well-informed institutional investors, has surely already changed. Surely the majority of shareholders today are sufficiently well informed about the almost desperate plight of many of the developing countries to accept without demur the use of part of their companies' profits earned in those countries to assist with well-thought-out plans of local economic development as a long-term profitable investment.

If the investing foreign companies are serious about trying to see themselves as others see them, they should surely ask the following question: Is it fair and equitable to ask the poverty-stricken population of a developing country to agree with a financial policy which expressly regards any improvement in their welfare and any development in their economy to be a mere by-product, an incidental effect, of foreign investment for profit ?

Reinvestment of profits in a developing country is a normal procedure for any parent company with a foreign branch or subsidiary, but usually it merely means expanding the business and its local selling organisation. As already mentioned above, of the annual average of \$1.8 billion of direct private investment between 1956 and 1964 in developing countries, no less than one third, or 0.8 billion dollars, consisted of reinvested earnings. But here there is further question of a long-term reinvestment of profits in local economic activities, with a strong element of diversification. In view of the resources and technical know-how of the foreign investor such diversified reinvestment can not only be of immense assistance to the local economy in building up local markets, but in the long term it can surely also bring increased profits to the parent company. Admittedly it requires time for the investing company to build up managerial skills in new diversified fields of operations, but the difficulties are not insuperable.

Should Profit always be Maximised ?

Clearly everyone would agree that there never should be any attempt to engage in direct private foreign investment

which is unprofitable, or which is likely to provide an unjustifiable low rate of profit, having due regard for all the business risks involved. But that is surely not the point at issue. The issue is whether it is the duty of directors to use part of the subsidiary company's profits to assist with local development schemes in developing countries, thereby reducing in the short-term, the profits which would otherwise accrue to the shareholders in the industrialised country. Sir Paul Chambers says it is not. There is another body of competent opinion which would say that it is. And their successful activities in putting their views into practice speak louder than words. Here is another quotation from Mr. W. M. Clarke :

"I have quoted only a few examples illustrative of a 'fitting-in' policy. There must be hundreds of others, notably from the big international companies (and notably in self-preservation, by why not?) which indicate that, while naturally looking for profit, expatriate private enterprise is also capable of constructive understanding of the wider needs of the country of their initial investment. . . . Roan Selection Trust have been financing research into improved land usage of the Kafue Flats in (Northern Rhodesia) Zambia. In Ethiopia the Mitchell Cotts Groups, previously interested only in trading have deliberately invested (joint capital structure) in cotton production in a totally uncertain region to demonstrate their readiness to put money in and not just take profit out." (7)

The Example of Shell

One international oil company which has taken the view that it is both profitable and right and proper for a company to reinvest some of the profits earned in developing countries in projects designed to assist local employment, is the Royal Dutch/Shell Group. Here is a long extract from one of its own publications :

"Development Assistance depends as much upon the

(7) *Op. cit.*, p. 55.

human as the economic element — though most usually it is the economic only that statistics throw up in relief. As the Royal Dutch/Shell Group has evolved into a community of some 500 companies, each with its own corporate existence and management, general recruitment has progressed no less in the under-developed than the developed countries. The result of this is that local people now hold executive responsibility, share in the management of their own company, or where their abilities justify this, have entered the service of Shell companies in other countries.

With such a background, it is inevitable that Shell companies should have a particular leaning towards the development and progress of the countries where they operate. Herein lies the motivation of a following in the wake of the main commercial activity of the company concerned — the provision of low-cost energy and hundreds of products essential to the material progress and economic growth of the country. These ancillary contributions can be conveniently seen as lying in three principal spheres — Education, Industrial Development, and Agriculture — and it is under these headings that they are considered below. First, however, it may be useful to recall a few facts that concern all developing countries.

The Principles of Development Assistance

As to limits: Shell companies must, above all, be careful to avoid competition with, or interference in, the operations of national or international organisations. To do so would not only be wasteful duplication, but would exceed the proper function and responsibility of a company in the private sector. Thus Shell companies do not participate in schemes involving public administration or the provision of infrastructures, which clearly lie under the aegis of national or provincial governments.

As to strength: Shell companies have been best able to lend aid (and already this has been considerable) in

those spheres where their own particular qualities lie — international experience of business organisation and the planning of long-term policies; personnel training and administration; expertise in the techniques of industry, agriculture and transportation; and advanced knowledge in a wide range of sciences. Tempering all this, in all companies, is an utter absence of political, racial or religious ties.

As to justification: *the extent of the market for Shell products and services in any country is directly related to its standard of living and the stage of technological development it has reached. Measures to advance both are, therefore, to the ultimate advantage of a company's shareholders as well as to the country itself.* (8) Shell companies, however, have no mandate to distribute shareholders' money as though they were charitable trusts — hence the restriction of their development assistance projects within spheres where they have special knowledge and a community of interest with the countries in which they have their being.

Development Assistance in Education for Youth

In 1963 Shell companies between them gave just under £1 million to schools and universities the world over. In fact this is only part of the story, for these payments were extra-mural and take no account of the schools, training centres and closed scholarships that some companies themselves maintain.

Education, however, is primarily the function of the State and it should be explained, perhaps, how Shell companies come to participate without violating the government sphere. The quick answer is that in this fast developing field their own particular needs (and, indeed, a country's own) often become insistent before the provisions of government can cater for them. In many cases, therefore, the Shell contribution has been the initiation of educational projects that later become absorbed into the appropriate national service. . . .

(8) Emphasis added.

Industrial Development

A further means of assisting the development of emergent countries, and one to which Shell companies are giving increasingly serious attention, is investment in the industrial sector outside the strict confines of the oil business, but in projects that nevertheless have some natural affinity with it. The belief here is that 'aid' — that is, funds so far provided mainly from State sources — is not enough. The most sensible, if not the only ultimate, solution to the world's economic problems is a huge increase in trade. This requires a considerable availability of private capital and a corresponding willingness to invest.

In Venezuela, as a contribution towards development, C.A. Inversiones Shell de Venezuela (INTERVEN) was formed in 1963 with a share capital of Bs. 30,000,000 (approximately £2.4 million) to stimulate and promote economic activities outside the oil industry. This is being achieved through participation in C.A. Venezolana de Desarrollo Sociedad Financiera (CAVENDES) to which INTERVEN has subscribed the equivalent of some £800,000. INTERVEN will also invest in existing or new Venezuelan enterprises allied to the oil and chemical business, and will participate in local industries capable of providing materials needed by Compañía Shell de Venezuela. CAVENDES is intended, more specifically, to stimulate Venezuelan industry through the extension of loans and participation in the share capital of Venezuelan enterprises.

Agriculture and Rural Development

Shell aid to the developing countries in this broad and fundamental field springs from two distinct sources: one international and the other national.

The international contribution is through chemicals for the maintenance of agricultural productivity and the betterment of public health — both essential in a world where much of even the present population is

half-starved and constantly threatened by insect-borne disease.

The national contributions all stem from recognition of individual Shell companies of particular problem-areas in a country's rural life, and institution by them of measures that, by force of example, will bring about lasting improvement.

The first of such undertakings was the Shell Agricultural Service founded by Compañía Shell de Venezuela at Cagua in 1952. At that time, the general industrialisation arising from the growth of oil production had created in Venezuela an urban population with food requirements which the rural workers were unable to supply, although the climate, topography and soils were such that most crops, and in sufficient quantity, could in fact have been grown. About 50% of the country's food was being imported. The remedy, and it was urgent, could only lie in the farmers taking advantage of the possibilities of machinery and a whole series of improved agricultural methods and of farm economics.

This was the purpose for which the Shell Agricultural service was started, as a non-commercial organisation to help farmers without charge to themselves. Since 1952, and often in collaboration with the Ministry of Agriculture and other official bodies, it has flourished greatly. Cagua is now an important centre, with a staff of 95, and research and advisory departments in agronomy, entomology, plant pathology, agricultural engineering and soil science. It also conducts information and extension services (over 7,000 visits were made to farms in 1961-2), arranges courses for agriculturalists and issues technical publications of topical value. In the ten years 1952-62 the Shell Agricultural Service had cost about £2,890,000.

Example from Italy

Another country, which while it does not come within the 'emergent' category, had grave problems in its rural areas in the post-war years was Italy. Here the extent

of usable land could not be increased to provide employment for the rising population, the old system of tenure had produced a fantastic state of fragmentation of holdings, and communications between the hill villages was no better than it had been in the Middle Ages. . . .

In 1953 Shell Italiana addressed itself to the problem . . . in . . . one commune that might be seen as typical of the thousands of others in this state. It chose Borgo a Mozzano — a name now internationally famous in the context of rural resurgence and development. In this poor and isolated peasant community, the company's objective was twofold : to transform the small farmers — initially little more than mere instruments of agricultural production — into farm managers, competent in present-day market agriculture; and to create a sustained system of information between them and progress in the world outside the commune, particularly in research, industry and administration.

The means chosen was the appointment in 1954 of a young resident agronomist first to study the technical and social character of the area and then persuade the farmers and their wives to adopt more productive techniques. Three years later he was joined by an instructor in domestic economy. By now there is no doubt of the success of the experiment. . . . More than this, the principles of technical assistance employed have been fully proved as repeatable elsewhere and the example has been followed in many other places. Another result has been the establishment of a flourishing Training Centre at Borgo a Mozzano with which a number of national and international organisations are now associated. By the end of 1964, 168 Italian agronomists and 142 others from countries as far apart as Chile and Thailand have been trained there in the principles and practice of technical assistance." (9)

(9) *Some Shell Contributions to Development in the Emergent Countries*, July 1965, obtainable from Shell Centre, London, S.E.1., pages 1-8. (See also *The Transformation of Rural Communities. Some Implications of promoting Change from Subsistence to Marketing Agriculture in contrasted Geographical Regions*, by L. Virone, C. Pellizzi, M. Upton, L. Marciano. Geographical Publications Ltd., Bude, Cornwall, 1966).

In conclusion, the inadequacy of the profit motive alone for providing an incentive for direct private investment in developing countries is seen very clearly in the case of the outflow of capital from Latin America. It has been estimated that between one and two billion dollars of savings and earnings from Latin America have been invested in the United States alone. The motives for this investment are clearly the high rate of return and the security which are available in the industrialised countries, as well as the galloping inflation and lack of security in some of the Latin American countries. The need for an additional motive, namely the motive to assist the local people of Latin America with their own social and economic development, could not be illustrated more clearly. By itself, the profit motive leads to the export of savings from the developing countries — the exact reverse of what is needed on humanitarian grounds.

[To be continued]

Book Reviews

LUNATIC FRINGE

My Life by Sir Oswald Mosley; Hodder & Stoughton, 70s.; pp. 521.

AT the end of this book I found myself wondering whether all that much difference separated the worlds sought by Mosley and Marx. What each wanted substantially was paradise on earth. In the hands of Stalin and his successors this has come to mean no more than the pursuit of power by men who control the Soviet Union in their own interests, not those of its citizens. What is sought there is not the dignity of man, but a dehumanized collective, triumphant in the image of those who mould it to their own design; a citizenry enslaved to a super-State. What this amounts to is tyranny as old as the world; Pharaohism in modern dress and nothing more.

Is there any guarantee that Britain under Mosley and his successors would have come to anything else? I confess I can find none. On the contrary, the likelihood of its not doing so is increased by the secularism and self-righteousness that pervade his writing and a conviction of his own inerrancy that is stamped across his work. I looked in vain for recognition of the meaningfulness of human dignity in his book. Instead, I found too often the traces of superman. He sees Britain's future in terms of a stream-lined collective where, whether he likes it or not, the individual will be submerged in the disciplined, slogan-chanting crowd. Strangely enough, Mosley is still waiting, at the age of seventy-one, for the call that will come from his countrymen when they realise that, had they listened to him, they would not be in their present desperate plight; that, being in it, he is the only man who now can save them. Old men who think in these terms strike me as close to mania. It is the (I am sure unconscious) arrogance of Mosley's pages that I find so terrifying.

And yet, desperate men will catch at any straw. So, too, will the patriotic when they see their country thrust down to the bottom through the ineptitude of democratic politicians. These were the factors that brought Hitler to power. The desperation of the unemployed in Germany combined with the disgust of the patriots to give him his chance. He took it, then fell victim himself to the system he had created; which is only another way of saying that the totalitarian appetite grows by what it feeds on. This is what Mosley never saw. He thought and still thinks that there was a limit to Hitler's pre-war claims; that, had we satisfied his territorial ambitions—allowing all of German stock to be brought into his fold — Europe would have reached its point of permanent peace. Here he is quite wrong. It is of the essence of totalitarianism that its demands should be insatiable; the system cannot be maintained except that it enslave cumulatively at home and prey ever more insistently on others abroad. This way it traps even its masters and drives them to destruction. The disease that afflicted Hitler, then killed him, would have done the same to Mosley had he come to power in Britain. This does not mean that Mosley was an evil man. He was not. Neither is he now. He was a patriot and remains one now. All one is saying is that the totalitarian type — the self-appointed man of destiny, who seeks power even from the highest motives — falls victim in the end to his totalitarian system. It is a matter, really, of Acton's dictum about absolute power.

This is what Mosley should have seen in the thirties. His mistake lay in trying to go it alone. He was right to resign from the Labour Government of Ramsay MacDonald, in disgust at its inability to do anything for the unemployed. He was wrong to resign from the Party; foolish to think that he could succeed with a new one and a good deal more than foolish when he went on to see himself, at the head of his Blackshirts, as the saviour of his people. At this point, despite the immense rallies, his political effectiveness ceased. It is his tragedy never to have seen this. In the eyes of his countrymen he became something of a freak. On the whole, the British people are uninterested in politics: they have,

however, the best political sense in the world. By an instinct that rarely deserts them, they put paid to Mosley when he put on his black shirt. They sensed in his Movement the totalitarian menace of which he was then and still appears to remain more or less unaware.

The English rejection of Fascism can only mean that there are certain values which they prefer to the many benefits—efficiency, full employment, the tingling sense of crusade — which the proponents of totalitarian nationalism place before the citizen. I think this is the case. The English prefer, on the whole, to be left alone, not to be dragooned or governed by exhortation. They could never march in serried ranks before a local Fuehrer or keep faces deadly straight at the equivalent of a Nuremburg rally. (The most fatuous suggestion in Mosley's book, which contains a fair amount of good sense, is that the presence of Goering on tour in England in the late thirties would have improved relations between Great Britain and Germany and might even have averted war. I can imagine nothing more likely to promote it at the time. Overnight Goering would have been made a figure of fun by the English to the high dudgeon of Hitler. It is strange that Mosley appears quite incapable of seeing this.) None of this is very noble. It is not claimed to be. It is simply the way most of the English are — tolerant, decent, leading their own lives and respecting the right of others to do the same; putting up with politicians as a necessary evil, inclined to make fun of them, paying very little attention to what most of them say; minding their own business for the most part and leaving extra-parliamentary political display to fringe groups who are, as a rule, totally unrepresentative and often as nutty as fruit cake. This is the way the English are and this is why you will never dragoon them.

Mosley never saw this; that all he caught, during his best days in the thirties, was a portion of those you will always find huddled on the lunatic fringe of Britain's political life; the kind of people who love a protest or a crusade; anything, in fact, which gives them plenty to do and little to think about. Canon Collins took a sizeable slice of this type with him on the Aldermaston marches. Last October Tariq Ali

sent 25,000 of them cavorting in protest all the way from Charing Cross to Marble Arch. What one has to realise is that this kind of performance never touches the real substance of the English people. They know it to be nonsense. They know also that those incapable of recognising it as such are not worth trusting with the destiny of this country. The tragedy of Mosley is found in his inability to understand this fact.

Paul Crane, S.J.

WAR AND PEACE

Report from Vietnam by Peter Sager; Swiss Eastern Institute, Berne, no price stated; pp. 111.

The war in Vietnam is unique in many ways. In it, the contending parties appear completely ill-matched. On the one hand, the most powerful industrial nation in the world, on the other a small rural community. In this war no conventional battle-lines have been drawn. One side has brought to its aid all the skill and cunning of political propaganda and used it so well that its opponents find support for the war shrinking amongst considerable groups of their own citizens. The operations of one side have been brought into the homes of millions throughout the civilized world through radio and television; those of the other side remain, for the most part, shrouded from the public gaze. Considered from this angle, democratic methods have told heavily against those brave enough to practise them.

In this book of just over a hundred pages Peter Sager traces the fortunes of this curious war from the opening hostilities until the month of June, 1968. As he tells the reader, his Report is the result of "a study tour through several countries of South-East Asia which I undertook in March, April and May 1968 on behalf of the *Schweizerisches Politische Korrespondenz, Berne*". Given the immense weight of left-wing propaganda aimed, against the South Vietnamese

and their American Allies, the author performs a most useful service by pointing out the part played by other Powers, especially France, in creating the conditions which led to the present war in Vietnam.

France's ambitions in what had been Indo-China were finished with her defeat at Dien Bien Phu in May, 1954. Her forces were smashed by an Army of Vietnamese Nationalists, laced through with Communists and dominated by Communist influence under the command of the brilliant Communist General Giap. Despite the defeat, French aspirations remained. France signed the Geneva Agreement in May, 1954, which was designed to bring hostilities to an end and assist with the creation of stable conditions in the area. France, however, refused to agree to those Articles of the Geneva Agreement, which made its conditions applicable to *all* those under military command in the country, including rebels and guerillas; yet it is precisely these who were to form later on the hard core of the Vietcong. As Sager writes, "France had thus betrayed the Vietnamese State, which it had itself created". By this manoeuvre, France laid the foundations for the present bitter struggle in Vietnam. It is extremely important to take note of this; all the more so in view of frequent allegations by Western intelligentsia and journalists that the Geneva Agreement was first violated by the South Vietnamese and the Americans. This is not so. The sequence of events that followed the Agreement signed at Geneva in May, 1954, tells another story. The first thing Ho Chi Minh attempted after Geneva was the liquidation of the non-Communist Nationalists in North Vietnam. As many as possible fled South across the seventeenth parallel to South Vietnam. There, Ho Chi Minh had been careful to leave the Communist cadres, who were later to be known as the National Liberation Front (NLF) or Vietcong. In 1957, they started operations against the South from within its very heart. They were soon helped by Communist infiltration from the North. Their aggression was condemned by the on-the-spot Control Commission appointed under the Geneva Agreement, and stated as proved beyond doubt. It is of importance, in this context, to note that the guerilla

aggression in South Vietnam began long before the Americans appeared on the scene. It was only in 1961 that President John Kennedy stated in a Washington press conference that he was considering the despatch of American troops to that country.

With the build-up of American forces in South Vietnam, the war did not lose what is perhaps its most noteworthy characteristic. It is essentially a war of defence. The territory of the aggressors from the North has never been invaded by ground forces. With regard to the air, bombing has been confined to selected targets and had for its main objective checking the flow of war materials from North Vietnam to its aggressors in the South. Meanwhile, Communist propaganda has gone brilliantly into action to paint the war as one of American imperialism against a defenceless peasant people. Most of the twenty-five thousand who marched with Tariq Ali in the London demonstration of October 27th last year were of this opinion. They and many others had been brain-washed to the point where they refused to believe anything else. Very few in the West today realise the brilliance and skill of Communist propaganda, the millions of dollars poured into it. One could cite two Communist successes out of many with regard to Vietnam. How many realise the evil of the North Vietnamese regime and the obscenity of the terrorist campaign mounted by the Vietcong in South Vietnam? This, in the first place. In the second, there is the widespread belief that the South Vietnamese and the Americans have always refused to co-operate with North Vietnam in attempts to end the war. Yet, in the early days of the war, requests made by the United States for a United Nations "presence" in Vietnam and discussions of the war at Lake Success, were rejected by Red China and the North Vietnamese. Moreover, on five occasions before President Johnson's decision to cease bombing the North at the end of last October, the Americans stopped the bombing of North Vietnam, only to find that the North Vietnamese took advantage of each pause to reinforce heavily their military strength in the South.

Cyril Clump, S.J.

READERS WRITE IN

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